

EXHIBIT B

PENSIONS



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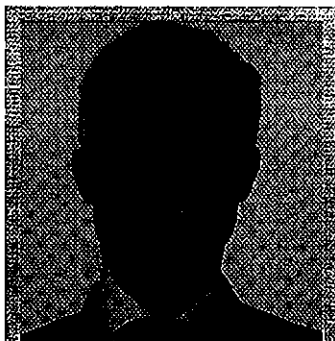
F&C ranked last in Caps

Dismal equity performance has seen F&C Asset Management placed last in the Caps pooled pension fund rankings.

In the 10 years to September 30, 2007, F&C's UK equity fund returned just 4.4%, placing it 35th out of 35 funds.

Its balanced pooled pension fund also fared badly, ranking 33 out of 38 funds, delivering 5.2% over the 10 years.

Michel Bernard, director of institutional funds at F&C, defended the results and blamed the underperformance on the businesses it had acquired over the past few years. **Story continued on page 4.**



Alex O'Reilly, director of BNY Mellon subsidiary Newton Asset Management, as part of its expanding global equity team. See page 27 for more.

IIG challenges Avon for GSK lead plaintiff

David Ricketts

The £2.2bn Avon local authority pension fund's position as lead plaintiff in the lawsuit against pharmaceutical giant Glaxo-SmithKline (GSK) could be under threat if US courts approve a motion that would see a German scheme seizing the role.

Outlined in a legal document passed to *PW*, Institutional Investors Group (IIG) is calling on the courts to reconsider Avon's position as lead plaintiff, arguing its own institutional investors suffered the largest losses, after stock price falls following allegations about a drug said to cause heart problems.

The Avon pension fund was appointed lead plaintiff earlier this month after the North Yorkshire pension fund and Institutional Investors Group failed to win the battle to spearhead the lawsuit. The court also ruled any judgment in favour of a German plaintiff may not be enforced in a German court.

But the German scheme hit back at the court's decision, arguing that German corporations have successfully been appointed as lead plaintiffs in past US class action lawsuits and its own members have experience in the lead role.

The latest developments came as a surprise to the Avon fund, who said it lost £1.3m after GSK shares plummeted by 42%.

Tony Worth, investment officer at the pension fund, said he was unaware an application had been submitted, but suggested the fund could only go on the legal advice it had been offered.

"It's up to the courts to decide who the lead plaintiff is. We are only in that position because our lawyers in the US decided we were best placed to be lead plaintiff," Worth said.

"All we can do is await the outcome. We are not falling over ourselves to be the lead plaintiff and can only go on the advice of our lawyers," he added.

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